

<b>TRANSMITTAL SLIP</b>		DATE
TO: <input type="text"/>		
ROOM NO.	BUILDING	
REMARKS: Please replace ER copy with this orig.  P-212  Thanks,  <input type="text"/>		
[ARMY Review Completed]		
FROM:		
ROOM NO.	BUILDING	EXTENSION

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR INTELLIGENCE  
WASHINGTON, D.C. 20310



20 Aug 82

18 JAN 1983

~~John~~

Here is The memo  
I promised. The bottom  
line: The Alliance is in  
serious trouble, but it  
can be rescued, but not  
by band aid.

W0

WILLIAM E. ODOM  
Major General, USA  
ACofS for Intelligence

CONFIDENTIAL CLOSE HOLD

EYES ONLY

REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR INTELLIGENCE  
WASHINGTON, DC 20310

Executive Registry

82-5743

DAMI-ZA

20 August 1982

## MEMORANDUM FOR DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Prospects and Problems in the Atlantic Alliance (U)

1. (U) This is in response to your request for comments on the state of the Atlantic Alliance relationship now and what they imply for the future.

2. (C) We have been at a turning point in the Alliance since the last two years of the 1970s, one that has only partially been recognized by the policy community. That turning point is marked by a basic change in the character of the East-West competition, a change that is defined by four major developments:

a. (C) The Soviet Military Buildup. More than two decades of sustained and comprehensive Soviet military programs have put into question the hierarchy of the two superpowers, i.e., who is "number one." This quantitative change in the military balance has a concomitant qualitative effect on worldwide perceptions of U.S. and Soviet power which significantly constrains the U.S.'s leadership role in NATO.

b. (U) Diffusion of Economic Power in the Western World. In the 1950s and 1960s, the U.S. enjoyed the lion's share of the world's wealth. Today, when military requirements are greater, we control a relatively smaller portion of the Western industrial wealth. Also, OPEC dollar reserves affect our financial power adversely. Thus our economic leadership position has been weakened, although it remains pivotal.

c. (C) The Emergence of the Persian Gulf-Southwest Asia Region as a New Zone of Major Strategic Significance. In the first three postwar decades, we were committed militarily in two strategic zones. Since 1980, we have been committed to a third interrelated strategic zone. Were the Soviet Union to acquire political hegemony in this region, Moscow could bring diplomatic pressures concerning energy policy to bear on NATO which its members would not likely resist. Without a single battle, Moscow would have broken the Alliance, leaving NATO a hollow shell.

CLASSIFIED BY: ACSI, DA

ARMY Review Completed

REVIEW ON: 20 August 1988

DCI  
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~~CONFIDENTIAL~~ ~~close read~~

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d. (C) U.S.-PRC Normalization of Relations. This diplomatic shift marks a major reconfiguration of the East-West political balance. And, for the first time in this century, it gives us good relations with both China and Japan, a development greatly reducing our security requirements in the Far East.

3. (C) In light of these changes, the fundamental structure of the East-West competition has been altered. While the aggregate economic and military power in our alliances greatly outweighs that in the Soviet bloc, our policy access to that power has become far more difficult. The same is much less true for Moscow's access to the resources of its allies.

4. (U) I spell out this general shift because failure to appreciate its full dimensions leads to flawed analysis of the problems within NATO (and within our Far East alliances as well, particularly Japan). The Atlantic Alliance institutions were designed for quite different conditions. In the military sphere, the lack of close C<sup>3</sup>I coordination within NATO could be tolerated because we dominated the military structure and expected less from NATO armies. Today, we depend more heavily on their security contribution to the military balance on the Central Front and on the NATO flanks.

5. (U) In a parallel fashion, but with more disturbing consequences at present, the economic sphere lacks institutions adequate to coordinate East-West economic interaction. COCOM was allowed to decline, and we have built nothing in its place to deal with broader trade and credit issues.

6. (U) Soviet policy toward the Alliance takes into account these changed "material" conditions in the "base" on which the NATO "superstructure" was built. Detente, trade, and arms control are merely new instrumentalities for the traditional Soviet policy of "peaceful coexistence." They create conditions which facilitate internal alliance friction and conflict. They create the "subjective" impression of security and "regional detente" in Europe while the "objective" character of European security is worsening.

7. (C) In my view, this means that the Alliance will not survive the 1980s without a basically new U.S. strategy for dealing with the Soviet Union. We cannot save the Alliance by diplomatic concessions, more consultations, and other such treatment of the symptoms. Most recommendations I see for improving Alliance relationships are simply that: band-aids for symptoms, not medicine for the real disease. I include in the band-aid category recommendations to be tough with the allies as well. That we must be, but only in the context of a new set of strategic parameters and a far-sighted and unswerving sense of policy direction.

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8. (U) There is a real danger that two unlikely partner groups will form a political coalition in the U.S. that will spell the end of our commitment to NATO: the disarmament-nuclear freeze of the left and the fiscally conservative elements of the right. They both, for quite different reasons, might agree that we should cut defense spending by reducing our military presence in Europe. The present struggle over economic policy in Congress can easily catalyze this coalition. And European obstreperousness will prove all they need to feel morally justified and politically vindicated in a general withdrawal. This is not simply a problem of resurgent "Mansfieldism." It would have a much broader political base both in Europe and the U.S. This time, Europe might behave differently and, in some political circles, support a U.S. withdrawal.

9. (U) While these comments stray beyond the narrow limits of an intelligence assessment, I offer them anyway. Our intelligence findings only make sense if we spell them out. Therefore, let me conclude by explaining the basic requisites for a new policy orientation that might rescue the Alliance.

10. (U) First, we must recognize that "containment," as it has been understood in practice, is no longer adequate. It has become too expensive to defend everywhere equally. And it has become too expensive to build only a defensive military posture for Europe and elsewhere. We must shift, in our general purpose force strategy, to an offensive orientation, "retaliatory attacks" in place of "forward defense."

11. (U) Second, we must develop an offensive economic strategy, denying, controlling, and coordinating East-West economic interaction. It is illogical and paradoxical for the Europeans to call for more E-W trade and more arms control simultaneously. Our major instrument for increasing Soviet incentives for arms reductions is through denying economic access to the West, thereby impeding Soviet military modernization.

12. (C) Third, we must exploit politically Soviet weaknesses in Poland, Afghanistan, and with the national minorities within the USSR. The USSR is particularly vulnerable now in this regard, but those vulnerabilities, if not exploited, will not constrain Soviet assertiveness.

13. (U) If we engage the USSR competitively, as these three directions suggest, we can turn around the developments now frustrating and weakening the Alliance. But it will take time, several years, before the Europeans believe we are serious and unbending. Once they come to realize it, they will like it.

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14 (U) Finally, it seems to me that the present administration has essentially set down these three policy directions, although not in a highly integrated fashion, or in a clear set of implementing actions. The allies have to understand them as a coherent and long-term scheme. They will only believe we are serious after a couple of years of holding a steady course. The crisis over the Siberian pipeline might be exploited to catalyze the beginning of a rebuilding of Alliance institutions better suited to this new era of East-West competition.

*Wm E Odom*

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